

Phone Forum

Improving Business Results with Outstanding Commuter Benefit Programs

On July 12, 2005, Best Workplaces for CommutersSM, Alliance for Work-Life Progress (AWLP), and WorldatWork collaborated to present a phone forum to introduce the Best Workplaces for CommutersSM from the FORTUNE 500 companies campaign, discuss AWLP's categories of work-life effectiveness, and hear from a FORTUNE 500 employer that has improved business results by creatively addressing the stress of commuting and its costs to employees. Steve Offutt from the U.S. Environmental Protection Agency (EPA) offered opening remarks and introduced the featured speakers:

- Kathie Lingle, director, AWLP
- Ed Houghton, director of work-life effectiveness, Pitney Bowes

Introduction to Best Workplaces for CommutersSM, by Steve Offutt, EPA

Mr. Offutt described Best Workplaces for CommutersSM as a “best of” list, which identifies companies providing outstanding commuter benefits to their employees. He explained that Best Workplaces for CommutersSM partnered with AWLP because of the growing issue of traffic congestion—a national problem responsible for both decreasing employees’ free time and increasing air pollution. To date, more than 1,200 employers have qualified for the Best Workplaces for CommutersSM designation, offering outstanding benefits to more than 2.3 million commuters.

Mr. Offutt provided an example stock portfolio of employers qualifying as Best Workplaces for CommutersSM and compared it to the S&P 500 index. Between June, 2001 and April, 2004, the overall S&P index lost approximately 9 percent while

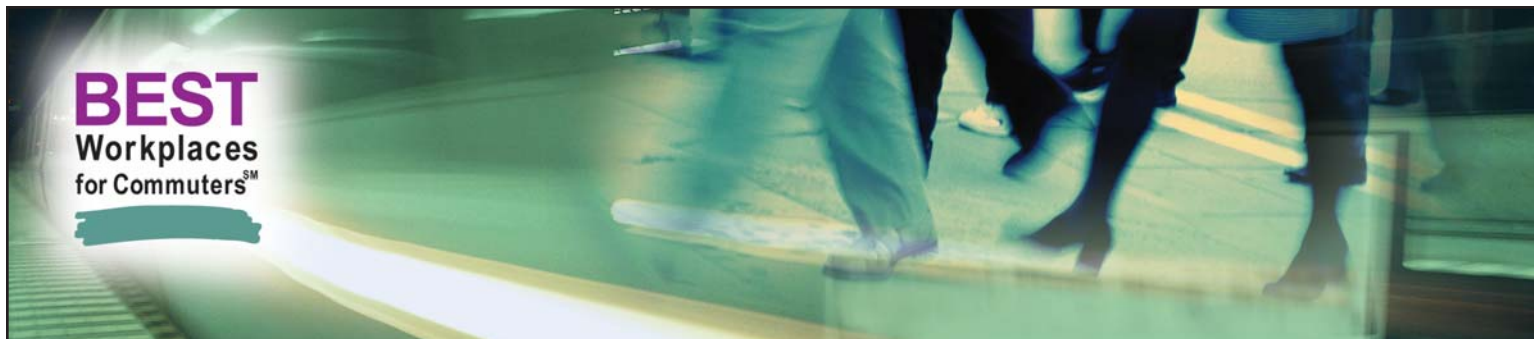
the portfolio of Best Workplaces for CommutersSM companies gained 35 percent. He offered three theories to help explain this difference in performance:

- Companies that have great commuter benefits probably offer other innovative, employee-friendly benefits, making them great places to work and thereby attracting and retaining the best talent.
- Companies that offer these benefits may participate in other environmentally positive programs, which can positively impact business practices, according to a growing body of new research.
- Companies that can manage commuter programs may have better management practices overall.

Ms. Lingle offered another theory. Historically, companies on at least one “best of” list have returned four times the stock price of their competitors. Ms. Lingle added that the longer a company remains on the list, the more successful its stock.

The Importance of Work-Life Effectiveness, by Kathie Lingle, AWLP

Ms. Lingle described her organization as the leading not-for-profit professional association committed to the development and advancement of the field of work-life effectiveness. Founded in 1996, AWLP strives to improve the professionalism of those working in the work-life arena and influence better integration of work and family life. AWLP’s mission is to provide premier professional membership services to individuals and organizations focused on creating healthy work environments that value people and support personal life and family issues.



AWLP recently became an affiliate of WorldatWork, an association whose mission is to advance the state of the profession in compensation, benefits, and total rewards. Together, AWLP and WorldatWork represent a human resources profession that is rapidly moving toward a “total rewards” value package for employees that, in turn, helps employers attract, retain, and motivate the talent they need to stay competitive.

Ms. Lingle discussed the various elements of work-life effectiveness, which AWLP defines as a specific set of organizational practices, policies, programs, and a philosophy that recommends aggressive support for the efforts of everyone who works to achieve success both at work and at home. For more information, AWLP’s “The Categories of Work-Life Effectiveness” brochure is available on the Best Workplaces for CommutersSM Web site, <www.bwc.gov>.

Case Study: Work-Life Effectiveness Program at Pitney Bowes, by Ed Houghton, Pitney Bowes

Mr. Houghton described Pitney Bowes as the leading provider in mail and business communication solutions. Currently, Pitney Bowes employs 28,000 people in the United States with approximately 20 percent of this workforce working in Connecticut. Mr. Houghton initiated his presentation by discussing the impact of commuting on work effectiveness. He worked with management to move his office nearer to his home, which added 12 hours of free time by cutting his commute. He explained that while companies are trying to cut costs and increase productivity, offering commuter benefits could help increase work-life effectiveness. Mr. Houghton explained that employees with more work-life flexi-

bility would be more productive, more loyal to the company, and stay at their job for a longer period of time.

Mr. Houghton described another rationale for offering commuter benefits. In Stamford, Connecticut, a 40-minute commute is considered reasonable. Mr. Houghton was able to determine that approximately 330,000 eligible employees live within a standard 40-minute commute by car. However, when employees are allowed to stagger work hours and are provided with incentives to use transit, the pool of possible employees expands to more than 1.6 million. Thus, by offering commuter benefits, Pitney Bowes can significantly increase its pool of prospective employees and be more selective while also providing benefits that encourage employee retention.

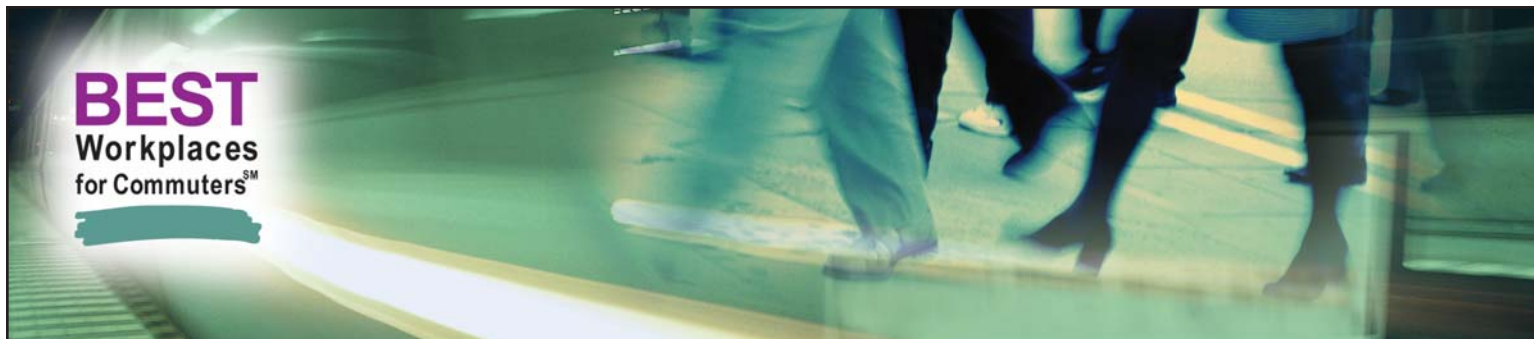
Mr. Houghton concluded his presentation by emphasizing the importance of relating commuting issues to business practices. He pointed out that no organization would operate at 25 percent capacity and be successful. However, most people drive alone when each car could accommodate four people—a very inefficient means of travel.

Open Discussion

Mr. Offutt informed participants that the list of Best Workplaces for CommutersSM from the FORTUNE 500 companies will be released on October 19, 2005.

A participant from GlaxoSmithKline asked what strategies Mr. Houghton enlisted to overcome managerial barriers to flexible work arrangements. Mr. Houghton pointed out that this is a common concern and that even human resource managers are often uncomfortable with flexible arrangements. However, he explained that companies demand flexibility from employees and he proposed that the arrangement





should be reciprocal. He added that managers should evaluate employees working flexible hours by their results, not by face time. Ms. Lingle noted that while corporate leaders, such as CEOs, work long hours, they generally work flexible schedules.

A participant asked if the speakers are aware of any pending Federal legislation that will motivate companies to participate. Mr. Offutt noted that the Federal tax code allows for commuters to set aside up to \$105 in pre-tax dollars to be used for transit or vanpool expenses. In addition, employers can provide employees with up to \$105 in transit subsidies without paying payroll taxes. Mr. Houghton added the pre-tax allowance is a great incentive.

A participant asked how to manage employees that want to work at home to avoid day care. Ms. Lingle explained that this is an automatic “red flag.” Teleworking employees should work from home in the same way they would work at the office. Child care should not be mixed with work since it will certainly decrease productivity.

A participant inquired if certain jobs are better suited for teleworking. Ms. Lingle mentioned that many tools exist to evaluate jobs best suited for telework, including a book titled “New Ways to Work.” She added that the best way to understand work-life issues is through teamwork, which can also lead to increased productivity through collaboration. Mr. Houghton suggested that managers should look at the elements of any job and decide which functions are best completed in private. He suggested that business needs must be met first but managers should let employees manage their own time.

A participant asked if there are online resources to learn more about transit benefits. Mr. Offutt suggested searching the Department of Transportation or the American Public Transportation Association

Web sites for more information.

Mr. Offutt stated that there is a business case for commuter benefits and he provided a few examples. For instance, Disney was able to eliminate the need for an extra parking garage by offering employees transit subsidies, saving the company \$2.3 million. Emory University determined that offering free transit to an employee for 30 years was less expensive than building a single parking space. IBM allows many employees across the country to telework full time to save office space. Finally, Calvert Group saw a decrease in staff turnover when it implemented a commuter benefit program.

A participant from Calgary, Canada, explained that his company is hesitant to allow employees to work compressed workweeks, flex schedules, or part time because staff must be available from 8:00 to 4:30 for meetings. The participant suggested that management needs hard data before considering a change. Ms. Lingle directed the participant to “Leveraging the New Human Capital” but noted that the company may not change anyway. She emphasized that the business case is not always sufficient to encourage a change of culture. Mr. Houghton suggested moving planned staff meetings to the mid-day on Tuesday, Wednesday, or Thursday to accommodate employees working alternative schedules.

Closing

Mr. Offutt closed the discussion and informed the participants that a summary of the phone forum and supplemental materials will be available on the Best Workplaces for CommutersSM Web site, <www.bwc.gov>.

